

VIGIL MECHANISM POLICY

*Originally adopted by the Board of Directors on February 6, 2012;
Amended by the Board of Directors on January 31, 2018*

SMC Global Securities Limited aspires to the highest standards of ethical conduct: doing what we say; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern the Company's businesses.

THE PURPOSE OF THIS POLICY

As per Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Obligations and Disclosure Requirements, Regulation 2015, every listed company and such class or classes of companies needs to formulate a Vigil Mechanism Policy for their directors and employees as to report their genuine concerns in such manner as may be prescribed.. The vigil mechanism will act as a buffer for the management. The policy will provide a safeguard against victimization of person using such scheme and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Further the Company has also adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), to ascertain and ensure that the company has an adequate and functional mechanism and also that the interests of a person who uses the mechanism are not prejudicially affected. The code shall lay down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

This policy seeks to define and establish the position of SMC Global Securities Limited and its subsidiaries (hereinafter referred to as the 'Company') on the framework for reporting instances of unethical/fraudulent conduct and taking suitable steps to investigate and correct the same. Accordingly, this policy lays down the following provisions:

- Setting up relevant authority and its powers to review Protected disclosures and direct corrective action relating to such disclosures.
- Procedure to disclose any suspected unethical and/or fraudulent practice taking place in the Company;
- Maintaining the Confidentiality to the person who makes disclosure towards such unethical and/or fraudulent practice in the Company.

- Mechanism for taking action and reporting on such disclosures to the relevant authority within the Company.

DEFINITIONS

In this Policy, unless the context requires otherwise:

- a. **“Audit Committee”** shall mean the Audit Committee of SMC Global Securities Limited as constituted under section 177 of the Companies Act, 2013.
- b. **“Director”** means any Executive, Non-Executive, Nominee or Alternate Director of the Company.
- c. **“Disclosure”** means any communication in relation to an unethical practice (including anonymous disclosures, if any) made in good faith by the Vigil Mechanism to the designated committee under this policy.
- d. **“Employee”** means any employee or officer of the Company.
- e. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence Unethical Practice.
- f. **“Unethical practice”** means and includes, but not limited to, the following suspected activities/ fraudulent practices being followed in the Company:
 - i. Manipulation of Company data / records;
 - ii. Abuse of authority at any defined level in the Company;
 - iii. Disclosure of confidential / proprietary information to unauthorized personnel;
 - iv. Violation of applicable laws and regulations to the Company, thereby exposing the Company to penalties/ fines;
 - v. Any instances of misappropriation of Company assets;
 - vi. Activity violating any laid down Company policy, including the Code;
 - vii. Any other activities whether unethical or fraudulent in nature and injurious to the interests of the Company.

“Vigil Mechanism” means any Employee who makes a Protected Disclosure under this policy.

THE GUIDING PRINCIPLES

To ensure that this Policy is adhered to and to assure that the concern will be acted upon seriously, the Company will:

1. Ensure that the Vigil Mechanism and/or the person processing the Protected Disclosure is not victimized for doing so.
2. Treat victimization as a serious matter including initiating disciplinary action on such person/(s).

3. Ensure complete confidentiality.
4. Not attempt to conceal evidence of the Protected Disclosure.
5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made / to be made.
6. Provide an opportunity of being heard to the persons involved especially to the Subject.

YOUR DUTY TO REPORT

Everyone is required to report to the Company any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct and Ethics. It is important that you report all suspected violations. This includes:

1. Abuse of authority.
2. Breach of fiduciary obligation.
3. Negligence causing substantial and specific danger to public health and safety.
4. Manipulation of company data/records.
5. Financial irregularities, including fraud, or suspected fraud.
6. Criminal offence involving moral turpitude.
7. Pilferation of confidential/propriety information.
8. Deliberate violation of law/regulation.
9. Wastage/misappropriation of company funds/assets.
10. Serious or widespread breach of Employee Code of Conduct or Rules.

It is the policy of the Company that you trust, when you reasonably suspect that a violation of an applicable law or the Company's Code of Conduct and Ethics has occurred or is occurring, report that potential violation. Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of Company policies or applicable laws.

COMMITTEE

A Committee namely "Vigil Mechanism Committee" is hereby constituted to look into the matters with respect to genuine concern in such manner as may be prescribed. The Committee in its present form comprises of the following persons:

Name of the Member(s)	Designation
Mr. S. C. Gupta	Chairman
Mr. K. M. Agarwal	Member
Mr. R. C. Jindal	Member

Mr. H. D. Khunteta	Member
Mr. Naveen ND Gupta	Member

HOW TO REPORT

You must report all suspected violations to

- (i) Your immediate supervisor;
- (ii) The Chief Compliance Officer; or
- (iii) Anonymously, by sending an e-mail to: whistleblower@smcindiaonline.com or
- (iv) Anonymously, by sending letter to the Company Secretary at the official address of the Company:

Suman Kumar

E.V.P. (Corporate Affairs), Company Secretary & Compliance Officer

SMC Global Securities Limited

8B, Netaji Subhash Marg

Daryaganj

Delhi-110002

sumankumar@smcindiaonline.com

Contact No. 011-30111333, Ext -7728/7729

If you have reason to believe that your immediate supervisor or the Chief Compliance Officer is involved in the suspected violation, your report may be made to the Audit Committee of SMC Global Securities Limited at:

Chairperson,

Audit Committee

SMC Global Securities Limited

11/6B, Shanti Chambers

Pusa Road

New Delhi- 110005

Because you have several means of reporting, you need never report to someone you believe may be involved in the suspected violation or from whom you would fear retaliation.

Your report should include as much information about the suspected violation as you can provide. Where possible, it should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred. Where you have not reported anonymously, you may be contacted for further information.

PROCEDURE FOR INVESTIGATION

On receipt of the Disclosure(s) the Person/Committee will assess the merits of the Disclosure(s) through preliminary investigation and in case the Committee finds merit in the Disclosure(s) with respect to

- I. The alleged act constitutes an Unethical Practice, and
- II. The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of preliminary investigation.

Then it would appoint Investigators which will inquire the Disclosure(s) in accordance with the terms and conditions as stipulated by the Committee and within such time frame as defined by the Committee for the particular Disclosure(s).

The investigators will submit its investigation report to the Committee which along with its recommendation shall forward the same to the Chairman or Vice-Chairman of the Company who will take the final decision, initiate appropriate action and intimate to the Committee.

Nothing herein shall limit direct access to the Chairman of the Audit Committee in exceptional cases.

CONFIDENTIALITY

Disclosures may be submitted on a confidential basis by the Vigil Mechanism or may be submitted anonymously. Disclosures will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

In his own interest and in the interest of the investigation that may be made the Vigil Mechanism should maintain complete non-disclosure of himself, the persons complained against and the facts that may lead to either of them.

NO VICTIMIZATION

The Vigil Mechanism Committee shall ensure that the person giving out the protected disclosure shall not be subjected to any unfair treatment by the management. The Company, as a rule, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Vigil Mechanisms. Complete protection will, therefore, be given to Vigil Mechanisms against any unfair practice like retaliation, threat or intimidation of termination/suspension of service,

disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Vigil Mechanism's right to continue to perform his legal duties/functions including making further Protected Disclosures. Genuine Vigil Mechanism will be accorded protection from any kind of harassment / unfair treatment / victimization, however motivated and frivolous disclosure shall be discouraged.

However, a disciplinary action against the Vigil Mechanism which occurs on account of poor job performance or misconduct by the Vigil Mechanism and which is independent of any disclosure made by the Vigil Mechanism shall not be protected under this policy.

DOCUMENT RETENTION

All documents related to reporting, investigation and enforcement pursuant to this Policy shall be kept in accordance with the Company's record retention policy and as per the applicable law.

REVIEW OF VIGIL MECHANISM

Audit Committee of the Company shall review the functioning of the Vigil Mechanism Committee annually.

MODIFICATION

The Audit Committee or the Board of Directors of the Company can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with federal, state or local regulations and / or accommodate organizational changes within the Company.